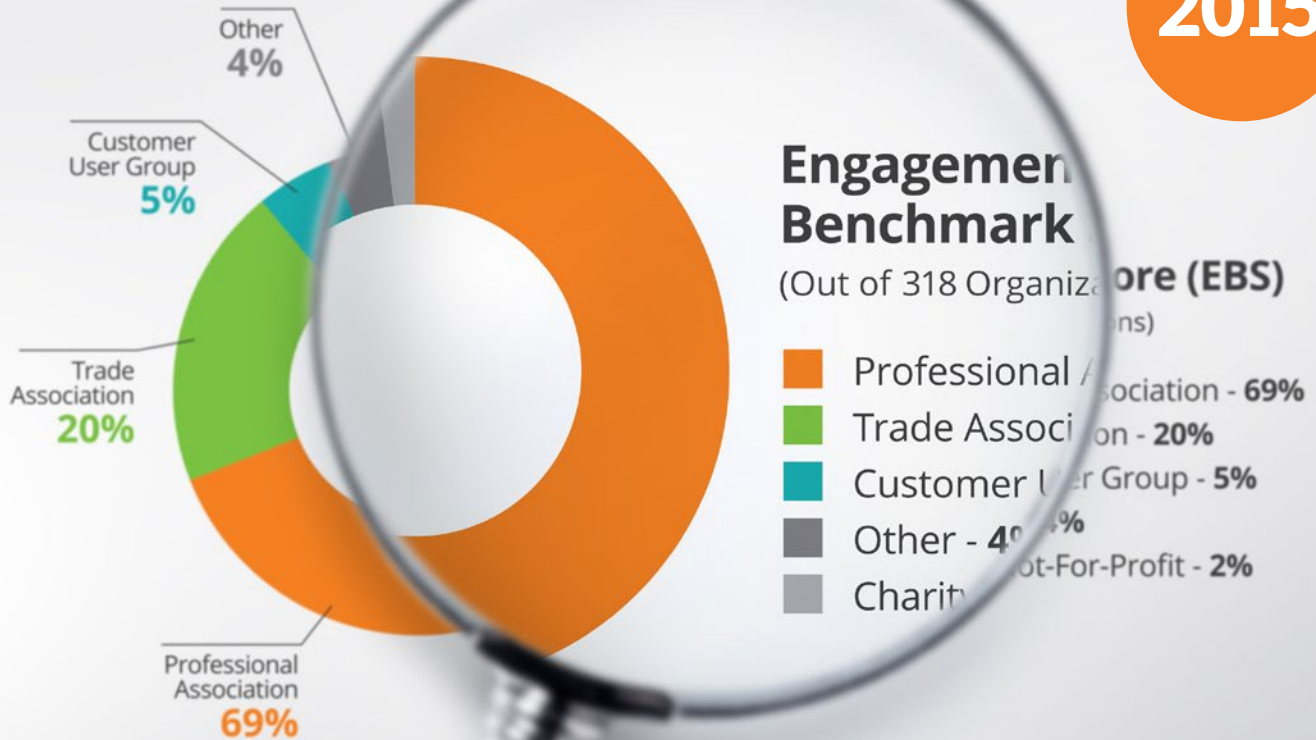


2015



THE COMMUNITY BENCHMARKING REPORT



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Executive Summary

What's important for your organization and your member community, and what metrics are best for you to focus on? Overall, how should your community be performing to meet organizational goals?

The 2015 Community Benchmarking Report is the second annual report from Higher Logic and Marketing General Inc. (MGI) on trends and analysis from over two years of community data and more than 300 organizations. This report's data from over 16 million users within 318 organizations aims to answer these questions and help your organization benchmark against similar types of organizations, not simply against generic industry segments.

The best benchmarking and engagement reporting for your community comes from a comprehensive look at your overall best practices for engaging members. This varies depending on the size of your organization, the industry and how involved you already are with training, networking and advocacy programs.

Key Findings

Community engagement has improved significantly over the past year—community managers are getting smarter, members are becoming more engaged and organizations are measuring greater degrees of success. Organizations that are new to community are learning from peer organizations, leveraging their best practices and lessons learned. The key is to work smarter versus harder, by implementing automation for common community management practices, helping community managers achieve more with less and improving key performance indicators (KPIs). In addition, there is a much greater emphasis on accountability—more organizations leverage dashboards and infographics to present KPIs and quantify success metrics.

Specific best practices have really demonstrated measurable success. The following are the key findings from this year's report:

- **Frictionless Content.** True community success comes from removing friction for member engagement. For example, a member can now engage with the community through email on a desktop or mobile device, through a mobile app or using a responsive website. A key component to a frictionless experience means ensuring engagement can happen on members' terms. Case in point: organizations that allow members to participate with email have recognized a 78 percent increase in the number of responses per thread. A frictionless approach and focus on all things mobile is a key player in this year's data.
- **Maturity Matters.** The Community Roundtable's latest findings and Community Maturity Model proves how important specific engagement tactics are for a community at varying stages of growth. Your community's size and demographics greatly affect where you take your engagement strategy next. Most organizations are only half way up the four stages of the maturity ladder. The few organizations at the top of the ladder have significantly more member engagement than their less mature peers. This emphasizes the need for executive attention and greater accountability towards member engagement.
- **Smarter Members.** Findings also show the importance in providing great first time or new member experiences. This reiterates our findings from 2014 for improved onboarding processes and automated workflows for a member's first year and beyond.

Engagement Benchmark Score (EBS)

As we worked with the report and data over the last year, we found it apparent that one of the biggest values in the scoring is providing organizations with a cohesive way to benchmark performance against similar types of organizations. While a composite score was a good starting point, the relative score based on a larger universe of data is where the true value lies. Our scoring system now reflects that in the Engagement Benchmark Score (EBS).

The EBS is calculated based on an algorithm made up of the most common engagement success metrics used by organizations and focuses on the following areas:

- **Activity** – number of discussion messages
- **Reach** – percentage of members subscribed
- **Value** – number of responses per thread
- **Distribution** – number of authors

This year, we did an even deeper analysis on the demographics of organizations and users. Organization size is another important factor analyzed closely in the report. We now have more information on industries and types of organizations, such as professional societies, trade associations, franchises and customer user groups. This includes more data on users’ activities and how it affects the EBS on categories like thread response ratio, email and mobile app collaboration, first time posting, and leveraging subscriptions and segmentation.

Based on two years’ worth of data in community benchmarking, we see a strong relationship between engagement and satisfaction, resulting in improved renewal rates. We compiled over 100 variables to calculate engagement benchmark scores for many different categories, all while still using the common metrics outlined above.

Year Over Year Comparisons

Organizations are becoming smarter with how they manage their communities, and community managers are learning how to leverage automation and other tools to help them become more effective.

This is demonstrated by a Year over Year (YoY) average EBS increase of 18 percent across all qualifying organizations. Interestingly, when looking at organizations that launched communities in 2014, there is a seven percent performance improvement when compared to previous years, meaning that organizations are launching communities more successfully.

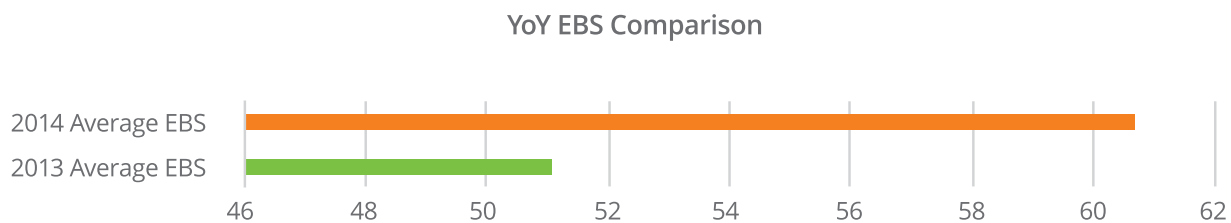


Fig. 1: Year over Year (YoY) EBS Comparison

Quartiles

When splitting all organizations into quartiles, it's clear those leading are doing so substantially. It's encouraging to see significant improvement across all quartiles, but the most dramatic improvement is with the organizations in the top quartile. There is typically no single factor making these leading organizations more successful; it's usually a combination of key elements we'll explore further into the report.

YoY EBS Comparison by Quartile

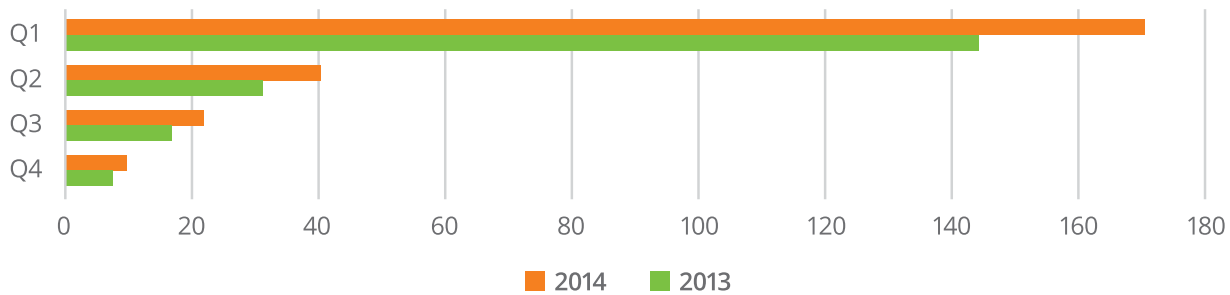


Fig. 2: Year over Year (YoY) EBS Comparison by Quartile

Industry

When looking across all industries, there are clearly some performing better with online community engagement. Figure 3 details all the industries that achieved over a 45-point average on EBS. The top performing industries include Finance/Insurance, Technology and Legal.

EBS Top Performers by Industry

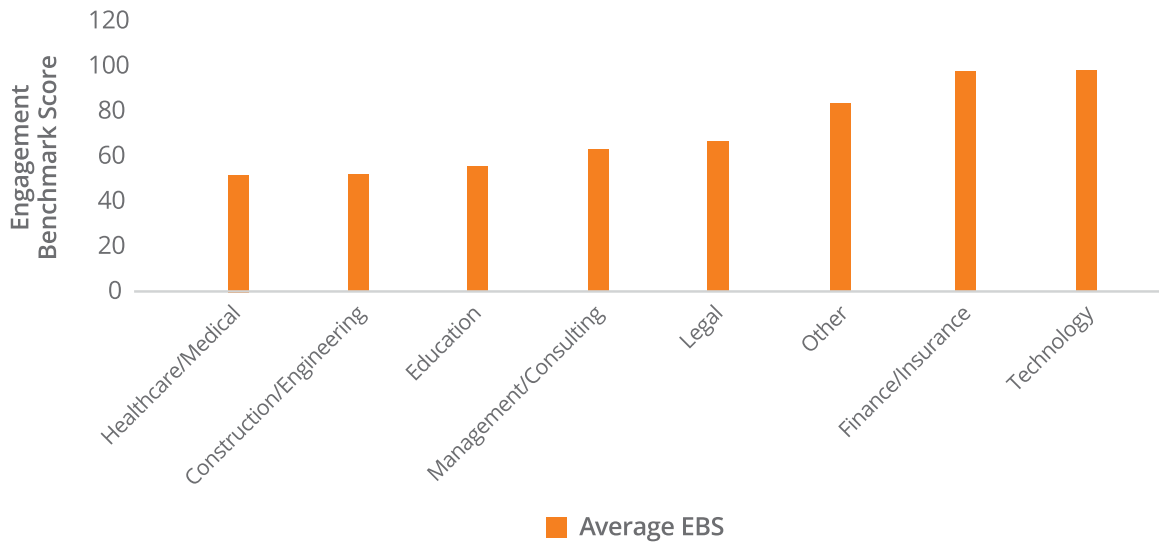


Fig. 3: EBS of Top Performers by Industry

Demographics

Based on various industries, it's apparent there are very different demographics represented within any given industry. For example, the Healthcare and Medical industry is represented not just by doctors, but also by administrators, researchers and other professionals. As a result, we also looked at the primary demographic category of various memberships. Figure 4 below demonstrates the types of users that had an EBS above 45.

Primary Demographic	Average EBS
Customer/Member Service & Support	149
Accountants	104
Creative/Artistic	98
Business Development/Sales	74
Attorneys & Legal Pros	72
Technologists	65
Medical Doctors	54
Non-Profit Professionals	53
Nurses & Other Medical Pros	50
Academics & Researchers	48
Other Professional Services	45

Fig. 4: Primary Demographics of Users

Engagement

Our data from 318 organizations reveals a common theme: community performance affects every department of an organization, and benchmarking for engagement is always in flux. The 2015 [State of Community Management Report](#) by The Community Roundtable also touches on these themes—its Community Maturity Model demonstrates how the stages of community affect performance for different departments at varying times in the community’s life cycle (Fig. 5). We are able to see a strong correlation between the maturity of an organization’s community strategy and the EBS.

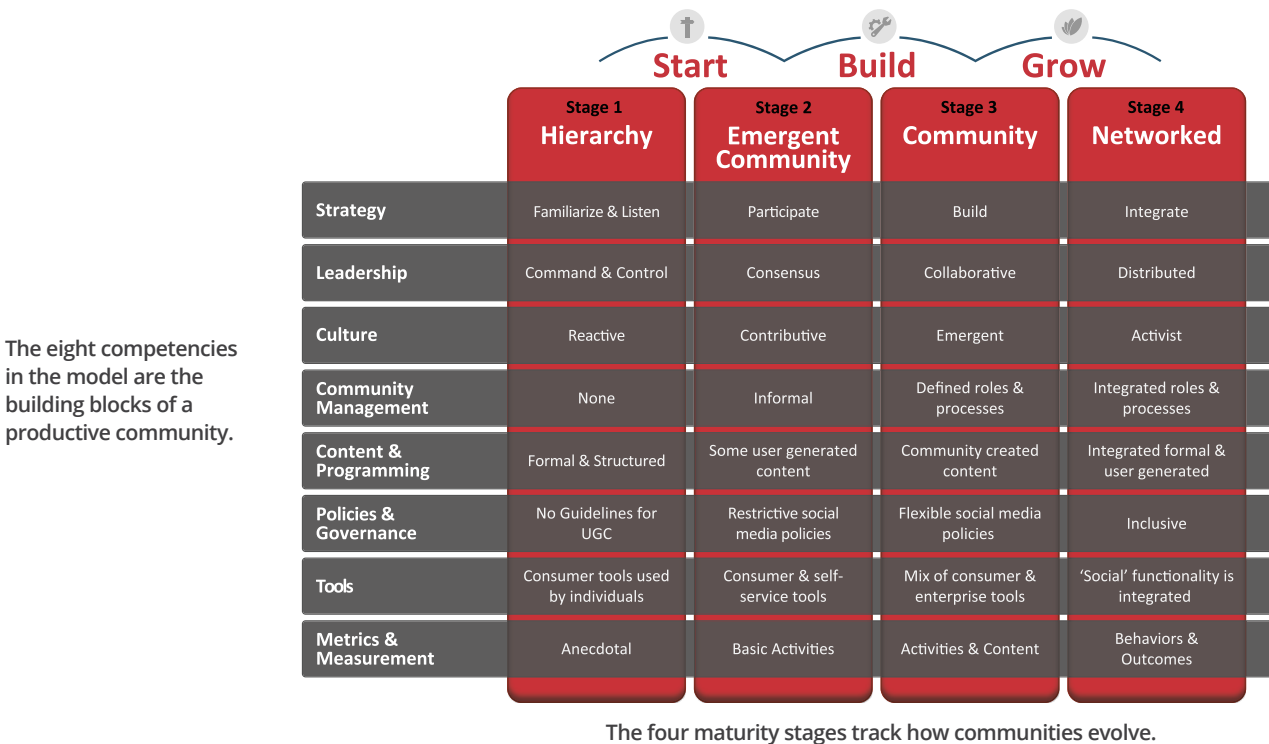


Fig. 5: Community Maturity Model by The Community Roundtable

No matter where your community is in its life cycle, or how much reporting your organization is already doing, there are engagement tactics you can put into place immediately in order to vastly improve your own EBS.

Renewal Rates for Organizations & Communities

Optimizing your renewal rate is a key element to growing your membership – renewals go hand-in-hand with the maturity of a community. Higher renewal rates keep more members for a longer average tenure, connect more members to each other and collect more dues and non-dues revenue. It provides the next level of exceptional value to those your mission is designed to support. We received renewal data from 80 organizations with online communities and compared those to the overall averages and medians from [MGI’s 2015 Membership Marketing Benchmarking Report](#):

Overall Membership Renewal Rate			
	Individual		
	MGI	OWC	Difference
Average	79%	86%	7%
Median	82%	86%	4%

	Trade		
	MGI	OWC	Difference
Average	87%	93%	6%
Median	90%	95%	5%

	Hybrid		
	MGI	OWC	Difference
Average	77%	89%	12%
Median	81%	93%	12%

Fig. 6: Renewal Rate by Membership Type (between MGI and organizations with communities)

While the community-related renewal data is a relatively small data set (80 organizations) compared to over 1,000 organizations included in the MGI study, the data indicates having an engaged online community could play a beneficial role in developing a successful retention program. In addition to the numbers above, 22 percent of all respondents from MGI's 2015 report indicated increases in renewal rates, while 78 percent of organizations with an online community reported increases.

Despite this small data set, we found that regardless of whether you are looking at trade organizations, or organizations with an individual or hybrid (corporate with individual) membership, the average renewal rates are greater when comparing organizations with a community against MGI's report.

Frictionless Collaboration for Communities

One of the choices organizations have when setting up an online community is related to how much they wish to support email and mobile collaboration. We often hear the argument that it is better to drive members to the web, which helps them to see all digital engagement efforts. While this may sound like a good strategy, the data suggests we should take an entirely different approach. Organizations that allow members to collaborate as simply as possible – by removing all friction during the engagement experience – have witnessed a significant increase in engagement.

Email Recommendations

Preliminary results show the opportunity for more engagement, and thus more member value, when using email for community collaboration. To help measure the impact of removing friction by encouraging email use, we looked at one of the most common engagement areas: discussion collaboration.

Specifically, we analyzed the “Reply to Thread” ratio of organizations that allowed members to both create new threads and reply to those threads via email, without any identifiable restrictions. Those that fully enabled email as a primary means of group collaboration witnessed a 78 percent increase in replies to threads over those that did not.

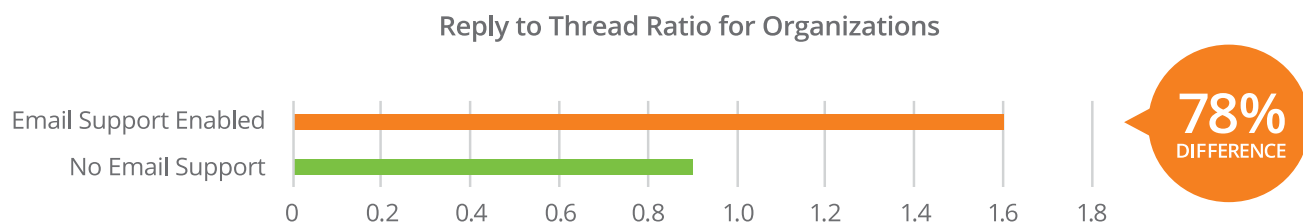


Fig. 7: Reply to Thread Ratio for Organizations (with or without email support)

Arguably more interesting is how members are using and taking advantage of this medium. While there is a 78 percent overall increase in replies to threads when removing friction, we also found people who previously replied via the web, had now changed the way they engage. When given a choice of replying via email or the web, members are three times more likely to reply with email.

In addition to the above, we were also able to measure a 32 percent YoY increase in discussion contributions and a 16 percent increase in EBS. This is significantly better than those that have not removed this friction, which only measured a 10 percent increase in contributions and a 6 percent increase in EBS.

Mobile Recommendations

Organizations are finding that, similar to email collaboration, using mobile apps is another growing factor for community engagement. One element with a significant correlation to mobile app success is how easy the app is to find and use. Many organizations have opted for what is often a less expensive approach to providing an app – subscribing to a generic (not branded) app. A branded app is unique to an organization and includes its individual branding and logos, while a generic app is hosted by a third party vendor, does not include individual branding and often hosts other similar organizations within one app.

Branded and Generic Mobile Apps

Our data found that of the organizations using a mobile app, 56 percent used a branded app and 44 percent used a generic app. So does branding really make a difference? The data confirmed that branded apps result in significantly more mobile activity than a generic app.

When looking at all mobile app activity data, we found a 524 percent increase in mobile activity for branded versus generic app usage. Data also confirmed the branded app recognized a 35 percent increase in mobile app related engagement, over those organizations that simply used the generic app.

Mobile Contributor Engagement

Figure 8 below demonstrates how much more successful branded versus generic mobile apps have been for the common elements of community activity. An important aspect of mobile engagement is the creation of content. The chart shows a 300 percent increase in contributor engagement (represented by the Post Discussion Message results) by organizations using a branded app. Overall, there was a 67 percent increase in the mobile app user to subscriber ratio when using the branded version, meaning more members used the app.

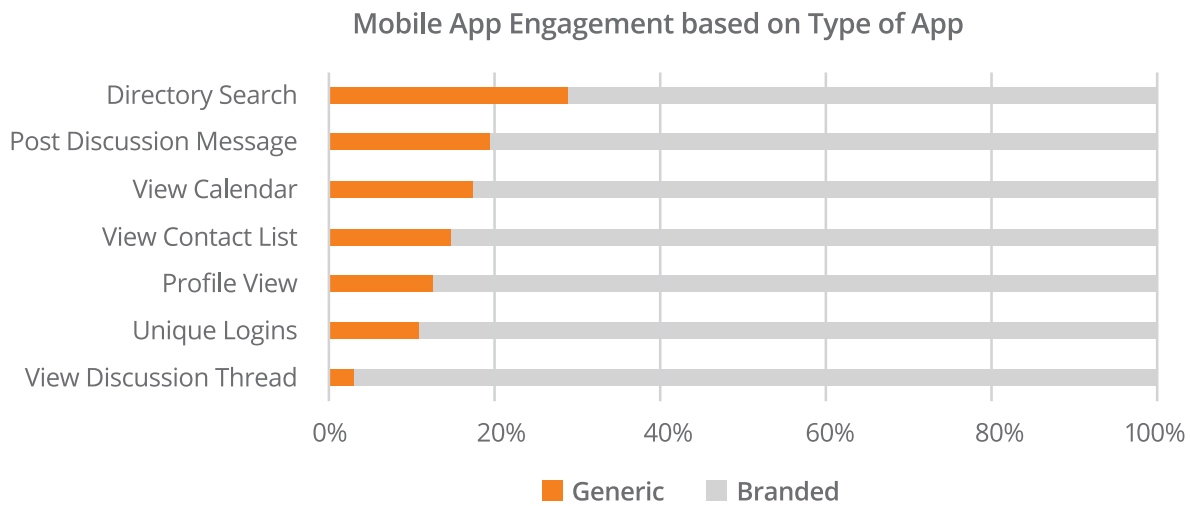


Fig. 8: Mobile App Engagement Based on Type of App

Raising App Awareness Through Smart App Banners

The generic app relies solely on marketing outreach. Notwithstanding this, there are ways in which organizations can efficiently provide outreach for success with a generic app. Smart App Banners are visual banners or pop-up messages within the organization’s website, which prompt users to download the mobile app instead of using a desktop browser to access content.

Most organizations examined have not used Smart App Banners. The statistical validity of this specific data is low, due to the minimal number of organizations currently leveraging banners as a means to continuously raise awareness. However, organizations that have applied Smart App Banners have consistently doubled their mobile app engagement benchmark score.

Mobile Smart App Banners are a relatively simple and free approach to raising awareness of a mobile app, whether branded or generic.

Subscription and Segmentation Strategy

The business case for most organizations with successful communities should not be to over-segment groups. All of our data proves an organization must start at a broader and more inclusive level to achieve success. The overarching concept is to set up an open environment for conversations to develop first, and then segment those conversations and topics later, making a more informed decision after acquiring the necessary data.

For segmentation to be successful, an organization should develop a formula that takes both organizational and member perspectives into consideration. This includes guiding new subscribers through the steps of completing profiles, contributing to discussions and collaborating in an open-forum environment. These data points also provide insight into how to better align new member onboarding processes.

Profile Completion

New members should complete profiles—both 2013 and 2014 benchmarking data confirms that this community action results in improved member engagement. Not only do completed profiles help showcase a more positive first impression, also there is a 22 percent correlation between those who included photos and bios in profiles and the organization's overall engagement levels.

The percentage of users with a photo and/or bio increased overall. There is a four percent drop in the correlation between profile completeness and engagement in 2013, which is expected since most community users do not remove photos after uploading. However, since this data is focused on subscribers (a dynamic data set), it's not guaranteed the number will increase, since existing subscribers with a photo and/or bio may unsubscribe and new subscribers without photos and/or bios may join.

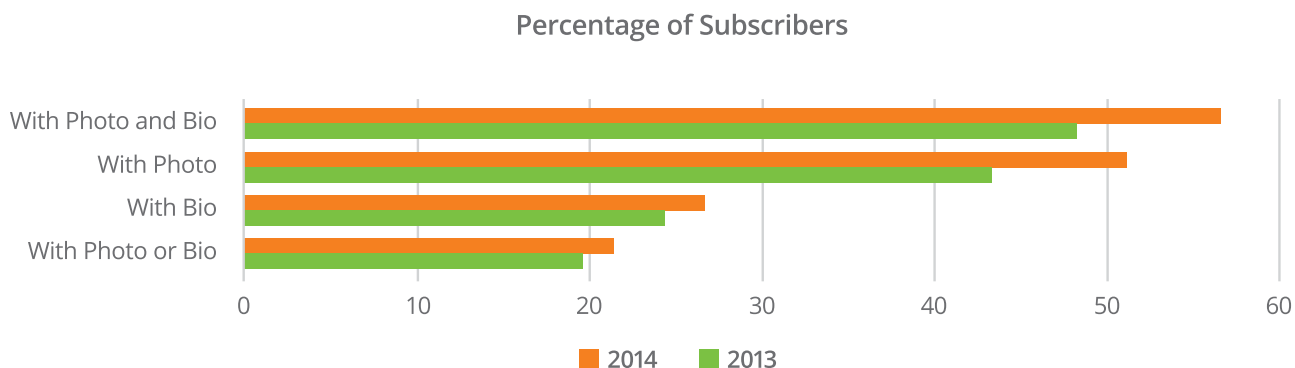


Fig. 9: Percentage of Subscribers with Photos & Bios

Discussion Contributions

On average, seven percent of community members posted a group message in 2014, a small increase from 2013, and 3.5 percent started a new thread. There is a 60 percent chance these same community members, also known as "contributors," will post at least one more group message.

Thread Responses

The average number of replies to a thread (when this thread already had at least one response) is 3.92, which is a two percent increase from last year.

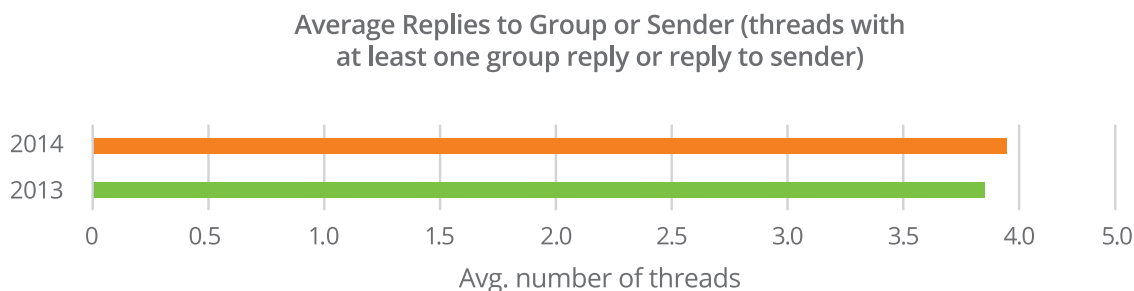


Fig. 10: Average Replies to Group or Sender, 2013-2014

Similarly, we observed future engagement trends of those who created threads and found a 48 percent chance those thread creators will create another thread. This number is likely influenced by the response rate of the respective threads.

First Time Posts

The 60 percent of contributors likely to post again is a significant data point that helps underscore the importance of encouraging members to post first-time messages as part of a comprehensive onboarding process. Overall, eight percent of total messages posted in 2014 were from first time posters. When comparing first time posting with responses to an organization’s EBS, we found that those communities with an above average rate of first time posters had a higher EBS.

In fact, there is a positive relationship between the ratio of First Time Posts with responses to the first message and the EBS of the organization.

All community discussions should receive at least one response, as a general best practice. Organizations that achieved an above-average Reply to First Post ratio, also achieved a 20 percent higher EBS.

The Open Forum Approach

Organizations that employed an open forum or similar strategy recognized a 106 percent improved EBS. Communities not included in this category had a lower EBS and also averaged 21 additional communities.

We also discovered a negative correlation of six percent between an organization’s EBS and the number of community discussion groups. This strengthens our previous finding—as the number of groups increases, the EBS tends to decrease.

In summary, there is a strong relationship demonstrated between the number of discussion groups, segmentation and ultimately overall engagement success. It is better to have fewer discussion groups with more members subscribed to achieve significantly greater engagement levels.

Engagement Benchmark Score Tool

Our updated EBS allows you to benchmark your organization's community performance against similar organizations, industries and demographics. It pulls over 100 variables to calculate scores for a multitude of categories, while still using the four common metrics (activity, reach, value and distribution).

This comprehensive analysis on the demographics of organizations' communities and users will help you inform your engagement practices moving forward. Gain insight into reaching members early, managing your groups and subscribers, enabling mobile and creating frictionless content.

See Your Organization's Current Community Data

The EBS Tool is customized to your organization. Participating organizations can benchmark themselves with similar organizations based on custom weightings such as subscribers, messages and replies per thread. This summary page also provides the overall comparison of your organization to the remaining data set.

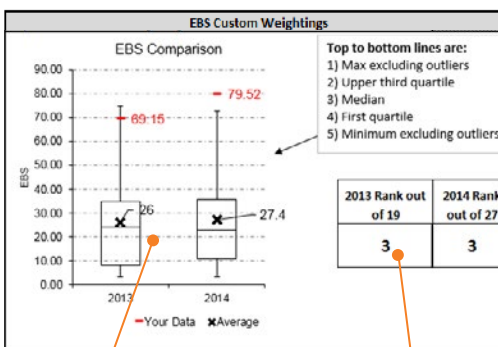
Compare Your Organization's Performance

Our custom benchmarking process allows us to adjust weightings from drop-down menus, including organization type, industry, size, type of members/users and community primary objective. The steps and images below demonstrate how we benchmark organizations against select custom demographic weightings and compare their community performance against similar organizations.

STEP 1: Select your org's demographics

CUSTOMIZE YOUR REPORT	
Org Key:	E7E35614-762E-4DE8-9303-9EB2090D7A52
Custom Filters (user selected)	
Type of Org	
Professional Association/Society	
Commercial/For Profit	
Community/Interest/Hobby	
Franchise	
Fraternity/Sorority/Alumni/Honor Society	
Professional Association/Society	
Religious/Faith Based	
Trade Association	
User Group	
Geographical Focus	
All	
Size of Org (Members)	
3. Medium/Large (20k to 49k)	
Community Primary Objective	
All	
'14 Qualifying Orgs	27
'14 Avg Org Size	30,834
Your Org :	
Type	Professional Association/Society
Industry	Non-Profit Professionals
Size Members	3. Medium/Large (20k to 49k)
Objective	Networking

STEP 2: See where your org ranks



Your org's EBS compared to average and previous year

How your org fits in compared to its cohort of similar orgs

Generate Reports

This summary includes example benchmarking data that breaks down organizational performance overall and by users, messages, threads, replies to threads, comparisons and renewal rates. These categories include corresponding data charts for each section. Data from 2013, 2014 and the year-over-year percent change also are included. The steps and images below demonstrate the summary data that generates based on an organization's demographic profile.

By customizing the report for your organization, we can supply a very specific set of recommendations designed to improve both maturity and engagement performance.

STEP 3: Share your org's summary dashboard



STEP 4: Compare your activity data and plan new strategies

Category	Description	2013		2014		YOY % Change	
		Your Org	Avg.	Your Org	Avg.	Your Org	Avg.
Users	Total Number of (Active) Members	22,244	16,336	21,950	15,758	-1.3%	-3.5%
	Total Number of ~Subscribers	13,165	7,174	13,125	7,361	-0.3%	2.6%
	Subscriber to Member Ratio	59%	44%	60%	47%	1.0%	6.4%
	Percentage of Subscribers with a Photo	15%	5%	15%	5%	1.1%	3.4%
	Percentage of Subscribers with a Bio	31.3%	9%	33%	9%	5.9%	4.7%
	Percentage of Subscribers with a Photo OR Bio	33.9%	10%	36%	10%	5.2%	4.4%
	Percentage of Subscribers with a Photo AND Bio	12.6%	4%	12.8%	4%	2.0%	3.8%
Messages	Total Number of Group Messages (Sum of TNOT and TNORTG)	14,647	2,542	16,892	3,012	15%	18%
	Total Number of Messages (Sum of TNOT, TNORTG and TNORTS)	19,002	3,074	21,669	3,582	14%	17%
	Total Number of Authors	3,075	500	3,387	631	10%	26%
	Percentage of Subscribers who are Authors	23.4%	7.0%	25.8%	8.6%	10%	23%
	Avg Messageds per Author	6	6	6	6	4%	-8%
	Percentage of Authors who posted more than one thread	36%	27%	35%	25%	-2%	-7%
	Percent of New Threads via Email (if full reply via email is enabled)						
	Subscriber to message ratio	1	2	1	2	-13%	-12%

60% - Great work! You're beating the cohort average. Next steps are to increase your subscriber percentage.

Above average but down from 2013—try more automated messages to reach out to members for posting.

Your Community's EBS

If your organization is interested in benchmarking engagement against similar types of organizations based on size, demographic or industry, contact us to discuss your community data and generate a personalized report.

Email benchmarkreport@higherlogic.com with the following information:

- Organization Name
- Contact Information (title, email, phone number)
- Number of Members
- Date of Online Community Launch



Higher Logic is an industry leader in cloud-based community platforms, with over 25 million engaged members in more than 200,000 communities. Organizations worldwide use Higher Logic to bring like-minded people all together, by giving their community a home where they can meet, share ideas, answer questions and stay connected.

Higher Logic aims to empower engagement, collaboration and community evolution, which we believe are the fundamental elements to the long-term relevance of any organization. By fostering community growth, you can open up a world of possibility. Tap into the power your community can generate for you.

www.higherlogic.com



Marketing General Incorporated (MGI) is a membership and marketing communications firm specializing in associations. With over 35 years of experience in association marketing, and over 60 staff offering a variety of marketing services including data analytics, creative design, copywriting, e-marketing and more, they can assist you with driving member growth and engagement. Since the company's inception in 1978 they have recruited more than 4 million new members for hundreds of organizations resulting in billions of dollars in lifetime revenue.

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